

AD HOC URBAN RENEWAL ADVISORY COMMITTEE

Meeting Minutes

March 22, 2021 6:00 PM

NEWBERG CITY HALL

Meeting held electronically due to COVID-19 pandemic

(This is for historical purposes as meetings are permanent retention documents and this will mark this period in our collective history)

Vice Chair Francisco Stoller the called meeting to order at 5:37 pm

ROLL CALL

Members Present: Francisco Stoller, Vice Chair
Molly Olson
Cassandra Ulven

Members Absent: Rick Rogers, excused
Jeff Bridges, Chair, excused
Stephanie Findley, excused
Don Clements
Joe Morelock
Loni Parish, excused
Josh Duder

Staff Present: Doug Rux, Community Development Director
Brett Musick, Senior Engineer
Shannon Buckmaster, Economic Health Manager

CONSENT CALENDAR:

Meeting Minutes for February 22, 2021 and March 8, 2021 will be carried over to the next meeting on May 24, 2021 for approval, due to not having a quorum.

NEW BUSINESS:

A. Preliminary Draft Sections of Urban Renewal Plan and Report.

Elaine shared the key draft sections of the Plan based on comments and feedback received so far. The first one is the Plan goals, which are individual to every Urban Renewal Plan, and are all of the different planning documents that new work has been done on. She noted it was a bit confusing to figure out how to configure the goals and objectives, so they decided to use the overall vision goals from the Newberg Community Vision, because it's an overarching document. Those are the Economic Development and Livability Development goals, plus the sub goals that touched on what is going to happen in the Urban Renewal Area. She noted they looked at both the Riverfront Master Plan and the Downtown Improvement Plan and pulled the pertinent goals from these documents and put them into this document. Since there has been so much planning done it didn't make sense to come up with new goals and objectives. She noted goals and objectives are not a required part of the Plan, but they help inform people who are looking at the Plan trying to figure out what it is they are doing. She noted they pulled from the existing documents because it makes the most sense in an Urban Renewal Plan if those goals exist and in this case they did.

Member Ulven noted through the past materials that have been sent and through the City's presentations, she has a good sense of how they align with previous planning efforts.

Member Olson and Member Stoller noted they are good with the goals.

Amendments to the Plan:

Elaine continued with the Amendment section to the Plan. She noted she and CDD Rux talked about whether the increase in duration should be a Substantial Amendment, a Council approved Amendment, or a Minor Amendment. In some Plans and communities they come back in 10-15 years afterwards and delete the duration provision through a Minor Amendment to the Plan and she felt that is not a way to do business. She added if you're going to put a duration provision in the Plan, then put it in a way that makes it difficult to change or there has to be a lot of public input to change it. Under the Substantial Amendment section, there are two things that have to be in that section, adding land over 1% of the Urban Renewal Area or increasing the maximum indebtedness and what was added is in duration or refunding indebtedness unless the increase is necessary to avoid a default on previously issued indebtedness. She noted when they get to that section that increase is necessary as language because legal counsel has asked in a number of communities to make sure that is in the language. If a catastrophe happens that becomes something that sometimes you have to act on quickly.

Member Ulven responded the way she perceives this is if the Plan is mismanaged and they've leveraged themselves to the point that they can't repay the debt, because of bad financial planning, that the plan duration gets increased. She noted she is uncomfortable with that from the overlapping Taxing Districts perspective, because there should be more accountability in the Plan. She noted they favor having plan duration language in the Plan, because plans are a function of money and not time, unless it's stipulated in the Plan. She noted they have seen Tax Increment Financing Plans that were not well managed.

Elaine shared an example of a natural disaster that happened in Phoenix, Oregon, which has an Urban Renewal Area, she has worked with. Unfortunately with the huge fire last year the property that burned was in the Urban Renewal Area. Next year they will be receiving substantially less increment and it will be less revenue for paying their bond payment. It wasn't their fault, it was an event that happened. She noted they are presently working with them to refinance that loan to avoid the City going into default. She noted in case of a natural disaster happens and the values all go down, the issue is to figure out how to protect the City's credit.

Member Ulven asked if there could be language added that specifies the examples Elaine cited versus just plan architecture. She asked if it was possible to say the Urban Renewal debt will be retired in xx number of years or less except in cases of a major disaster or economic situation that would create a bond default. She noted their main concern is they don't want it to be something that could go in perpetuity.

Member Stoller noted that would be a concern of people that are going to be voting on it too. He noted it makes sense.

CDD Rux noted in previous meetings it has consistently come up no more than 30 years. So they are trying to come up with the right language that's responding to the Committee's expressions of no more than 30 years. He noted Member Ulven and Elaine are right, sometimes there are natural disasters that are out of our control and we don't want to put the Agency and the City in a negative financial situation if they need a couple more years to solve that problem. He stated he will email Rob Moody to get a hold of the City's Bond Council and see if they have some suggested language, based on what has been brought up.

Elaine shared another issue in Wilsonville where they were ready to shut down their 2000 Urban Renewal Area, but the School District asked them not to because of compression issues, because if they shut down they would have lost a lot of money on their local option levy's. She noted there are always issues that they don't expect that come up. In the future at 25 years if some issue comes up that's not specified they can talk to everybody to see how they deal with it.

Member Ulven noted if it's worded, the goal is to retire the Plan debt within 30 years and if unforeseen financial conditions occur, special districts will be updated regarding the situation and a plan for resolution. This would be reasonable since leadership teams, staff and elected leaders will be different in 30 years.

Elaine noted this effects both item number three under Substantial Amendments and the duration section of the Plan, because they tie together.

Elaine noted The City Council Approved Amendments are not required in an Urban Renewal Plan and she and CDD Rux talked about the community perception. She noted in some Plans there are Council Approved Amendments for any project costs that exceeds a certain level. CDD Rux felt like that would be an appropriate thing to put into this Plan, to make

people feel like there's another level of review and control over adding projects that have certain costs. She noted that is why that section was added even though it's not a required statutory section.

CDD Rux noted he is trying to make sure that they have all the checks and balances in place so they don't say here's your Substantial Amendment and everything else is minor. There are some things that may be a significant enough issue that the Council should directly weigh in on and have the opportunity for the public to talk to the Agency and the Council if there was a modification for trading out a certain project, before they get 20 years down the road because the project conditions have changed. He noted he wanted to have a step in there to be able to do that.

Elaine noted even though the Urban Renewal Agency and the City Council are the same, City Council meetings get viewed more. Urban Renewal decisions a lot of times just go through and no one knows because they don't know about those meetings. So this offers the extended opportunity to make sure people can provide input.

Duration and Review of the Plan:

Elaine noted the first time she reviewed this topic was in Milwaukee with their Legal Counsel, and their Bond Counsel. Then they used the same kind of language in the Corvallis Urban Renewal Plan and the same kind of language in the Bend Urban Renewal Plan. She stated this language has been reviewed by Legal Counsel three separate times. She noted they will have CDD Rux talk to their Legal Counsel or Bond Counsel to see what they can do to address the concerns Member Ulven brought up in this meeting.

Elaine noted there was some talk in previous meetings about review of the Plan and check-in points. She noted those were put in the Plan every five years for a financial analysis of the Plan. The intent is to track to make sure it expires at that time it is supposed to and provide this information to the Taxing Districts. It is important making sure people do the annual reports and give them to the taxing Districts, so there's more communication then just running the Urban Renewal Area and forgetting that the taxing Districts are interested. She noted this makes sure in the future when updates are done everyone gets the information.

Projects:

Elaine noted they thought it made more sense to keep the projects by sub-areas and they will prepare a map for each sub-area to show where the projects are in the Report to the Plan, which will be helpful for the public and anyone who's trying to implement the Plan in the future. She noted the Report has a section where they use the exact same language and have to say what the existing condition of that project is. For example if the street doesn't exist, it is said the street doesn't exist, or if the street is deficient in its capacity. Whatever those conditions are they go to the section of the report that deals with the projects in existing conditions.

Member Olson noted everything refers to the Agency, which is the group implementing those but does the Advisory Committee continue.

CDD Rux noted he is preparing a set of bylaws for the Urban Renewal Agency which is going to them on April 19th. In the bylaws there is a section that talks about Committees and he is recommending to the Agency that they form a Committee that would be advisory to the Agency. When going through these five year reviews of the Plan projects and if a Development Agreement is being done, the Committee will do the heavy lifting and make recommendations to the Agency. The second piece under the Committee, is proposing the Agency Chair could establish an Ad Hoc Committee for some purpose that would report to the Committee and the Committee reports back to the Agency. He noted he is making sure that they have public engagement in place and following through with the discussions this Committee has had about having a future advisory committee to the Agency Board. He noted what he has in his draft of bylaws is a committee of nine with two ex-officio members and those ex-officio members will be from the Taxing Districts. For example it could be from TVF&R, CPRD, and Yamhill County or could be from other taxing Districts as well. The ex-officio wouldn't vote but should be on the Committee to be involved in all the discussions and dialogues before the Committee would make any recommendations to the Agency.

Elaine noted on some background that Wilsonville has done one of the best jobs of having a Committee. They have an Urban Renewal task force and they meet whenever there are major new initiatives or policy changes. The task force is comprised of the Taxing Districts, the Chamber and Community Members. They weren't called together for about a year

until Wilsonville started what they called the WIN Program, and the task force was briefed on that program. She noted this sounds similar to what CDD Rux is talking about, which works well because there is this standing group of people who understand Urban Renewal and you're then able to run those important things by them.

Member Stoller asked for an example of a policy change where the Committee has to come back together.

Elaine noted of an example in Wilsonville, they had developed the single property Urban Renewal Areas and developed this concept and it didn't work. They spent another year re-doing that program with different standards and went back to the Committee with the revisions. The Committee reviewed and wanted the City to give extra points for minority participation, extra points for daycare on site and they gave provided valuable information that wasn't already considered.

Elaine asked if there were any more changes or comments on the project list and all responded no.

TIF Table:

Elaine noted the next section is part of the tables for the financial part of the Report. The first table is the total in TIF and what the maximum indebtedness capacity is by years in five year tax increments. These tables were all prepared by Tiberius Solutions. The second table shows how over each year they get the information and the assessor gets the information from what the assessed value in the area is, subtract the frozen base and they get the amount of increment there will be for taxes. The Agency will then multiply that times the tax rate to get what the gross tax increment revenue is. There are adjustments of 5% for underpayments and delinquencies and then that's what the current year tax increment is. There is another column for the second year because when people pay their taxes late, it goes into the separate column and goes to the total projected tax increment revenue by year for the area.

CDD Rux noted on the frozen base they are pulling the data reflective of November 2020, so this number \$162,530,101 may change slightly up or down. He will have the rate available the next meeting.

Elaine noted in the actual report there will be a series of tables called the Finance Plan with the expected borrowings and amounts for projects over time. She noted these will be updated as everything will change slightly as we establish a new frozen base, but this is what the tables will look like for the impacts on the Taxing District. They do it by Taxing District by year with a total number, the Government on one page and education on the second page. Then the statute requires we show projected amount of increment that will go back on the tax rolls the year after the Urban Renewal Area ends which is on the final table. It shows the amount of money that you continue to get if you're a Taxing District from the frozen base over that time period and the amount of money you're projected to get in the year 31' and what that total amount would be for the Urban Renewal Area. She noted these are estimated numbers to meet the requirements of the statute, which is much more helpful to the Taxing Districts and those five year reviews, which is helpful to be able to track what's really going on and what you expect to get.

Elaine noted she will work hard on getting everything ready for the next meeting so that the Committee will have a final Plan and Report. She noted she will send out the updated financial tables sooner because they're pretty detailed and they will need time to review.

PUBLIC COMMENTS:

None

ITEMS FROM STAFF:

CDD Rux noted the next and last meeting is May 24, 2021 and the packet will come out in advance as Elaine mentioned, so you all have time to review. He noted it will be important to read all of the material for that meeting so they can discuss and get any suggested changes or modifications. They will be looking for a recommendation from the Committee at the end of that meeting and the recommendation will then go on to the Agency. He noted Elaine and Nick will be doing a lot of work in the background over the next five weeks to have ready for the May 24th meeting. After that meeting the recommendation goes to the Agency, the Planning Commission and to City Council. Then they start the confer consult process with all the Taxing Districts. He noted he has been sending the Executive Directors and Director Heads of the different Taxing Districts copies of the packets so they are not blindsided. He noted they are still on the path to get in front of the City Council in August of 2021 with the Plan and the Report.

ITEMS FROM COMMITTEE MEMBERS:

None

ADJOURNMENT:

Vice Chair Stoller adjourned the meeting at 6:15pm

APPROVED BY THE AD HOC URBAN RENEWAL CITIZENS ADVISORY COMMITTEE this April 26, 2021



John Bridges, UR CAC Chair

Doug Rux, Recording Secretary